

**CAPITAL UNIVERSITY OF SCIENCE AND
TECHNOLOGY, ISLAMABAD**



**Impact of Ethical Leadership on Project Success
with the Mediating Role of Affective
Organizational Commitment and Moderating
Role of Ethical Climate: In Contextual Setting
of Pakistan**

by

Maha Matloob

A thesis submitted in partial fulfillment for the
degree of Master of Science

in the

**Faculty of Management & Social Sciences
Department of Management Sciences**

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I would like to dedicate this work to my beloved parents and siblings for their unconditional love and support.



CAPITAL UNIVERSITY OF SCIENCE & TECHNOLOGY
ISLAMABAD

CERTIFICATE OF APPROVAL

**Impact of Ethical Leadership on Project Success with the
Mediating Role of Affective Organizational Commitment
and Moderating Role of Ethical Climate**

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Abstract

The focus of this study is on the relationship between Ethical Leadership and Project Success with the mediating role of Affective Organizational Commitment and moderating role of Ethical Climate. The context of this study is project-based NGOs in Pakistan. Data is collected from 273 employees working on different projects under various NGOs. Current study results indicate that a positive relationship exists between Ethical Leadership and Project Success, and mediating role of Affective Organizational Commitment exists. While ethical climate was tested as a moderator, however this hypothesis was rejected. Theoretical and practical implications have also been discussed in this study. This study will help Pakistani NGOs in implementing and practicing ethical leadership which will increase employee affective commitment towards the organization and achieve project success.

Keywords: Ethical leadership, Affective organizational commitment, Project success, Ethical climate, Ethical conduct.

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Chapter 1

Introduction

1.1 Background of the Study

Following the famous corporate scandals (Enron, Worldcom, & Tyco), interest in ethical leadership has been intrigued therefore more researchers are doing research in this domain (Brown & Treviño, 2006). Ethics is an important part of a person's personality that is why each person desires to be ethical in his conduct but today's heightened need for power, recognition, profit and projects has hindered the way to see what is right and what is wrong (Helgado'ttir, 2007). This means that there is a need to introduce ethical leadership in organization for a successful management of projects. Ethical leadership consists of two key aspects, first is the moral person whose character is based on honesty, credibility and integrity. The second aspect is moral manager who can influence his follower's ethical conduct by being their role model (Brown & Treviño 2006).

Neubert, Carlson, Kaomar, Roberts and Chonko (2009) argued that ethical leadership behavior spreads very fast inside organization and create an ethical work climate where managers perform with honesty, employees trust their leaders and feel satisfied and committed to their jobs. This helps employees flourish in their jobs as well as increase organization's efficiency. Ethical leadership is not just a good conduct but an essential element for a successful organization's operations (Kim & Brymer, 2011). Xu, Loi and Ngo (2016) explains that ethical leaders help

organization in maintaining relationship based on trust with employees which motivates employees to positively evaluate organization. This evaluation is based on the conduct of Ethical leader on the basis of which employee trust or refuse to trust organization. This means that if employee trusts his leader and his organization, he will be committed to the organization and perform his tasks with loyalty and honesty.

Chun, Shin, Choi and Kim (2011) research results found that internal ethics is significantly related to employee's organizational commitment which means that when employee sees that his organization is following ethical and legal principals his commitment to his organization strengthens further. According to Jackson, Meyer and Wang (2013) transformational leadership and affective organizational commitment are strongly correlated and such leader encourages employee through emotional appeal to think of collective benefits on both ends. Employee views such leaders caring towards their needs which increases their support towards organization. Ethical leadership can be related with transformational leadership because transformational leadership found to have a strong significant relationship with deontological ethics (Groves & LaRocca, 2011).

Chordiya, Sabharwa and Goodman (2017) suggest that when organization takes steps to encourage ethical behavior at managerial level it significantly influences employee's affective commitment toward organization. Employee show higher level of affective commitment when he feels that his leader is a moral person who cares for him (Fu & Deshpande, 2013). Employee's commitment towards the organization directly influences the turnover rate, because in a situation like turnover employee first thinks about his relationship with organization while employee has indirect commitment with his supervisor (Vandenberghe, Bentein & Stinglhamber, 2004). Wei and Lee (2015) suggested a positive association of affective commitment with procedural and interactional justice, whereby interactional justice is important in maintaining the ethical perceptions of employee towards organization (Neubert et al., 2009).

Victor and Cullen (1987) suggest that organization does not only consist of solitary climate types but often a dominant climate is also found. Victor and Cullen

(1988) identified five climate factors; caring, instrumental, rules, law and code, and independence. Cullen, Parboteeah and Victor (2003) suggest that caring climate should be encouraged by the manager because by displaying the concern for employee will increase the likelihood of employee commitment towards organization. Brown, Treviño and Harrison (2005) study suggest that there is a positive relationship between ethical leadership and ethical climate because when a leader practice ethical conduct and seen as just, caring, punishing, gratifying, trustworthy and a role model for ethical conduct; this creates a climate of moral values where right thing is given value. Conceptual work shows that leader's ethical conduct has an impact on organization's ethical climate and a direct relationship exist between ethical leadership and organization's ethical climate (Schminke, Ambrose & Neubaum, 2005).

Ethical leaders play a significant role in developing an ethical climate in an organization where employee's misconduct is reduced, and their performance and commitment is increased (Mayer, Kuenzi & Greenbaum, 2010). If the perceptions of all employees regarding organization's climate is alike then they will understand the ethical behavior required from them by the organization which means that if ethical climate is strong it will direct all employees towards a positive work behavior (Shin, 2012). Organization's ethical climate has a direct and indirect impact on organizational outcomes like enhanced job satisfaction, organizational commitment and job performance (Fu & Deshpande, 2013).

Along with the implementation of organization's laws and principals, employee need to be provided with moral support in the form of caring climate to experience empowerment and commitment for the organization (Kaur & Kaur, 2017). Wateridge (1995) suggest measurement criteria for project success which consist of three elements that are time, cost and quality. Ling (2017) suggest six factors that contribute to project success which are workforce, management and team collaboration, organizational compliance, project timeline, mission and plan. Attainment of pre-determined project goals is considered as project success, but the perception of project success or failure is unique for everyone because pre-determined goals of users related to project are different from the pre-determined goals of project

team (Lim & Mohamed, 1999). In the current era, researchers are highly interested in the role of leadership in project success. Kelley, Leong and Loong (2003) found that perception of Project Manager regarding project success is influenced by his/her leadership style. A positive relation is found between project manager's perception of project success and his personality, which shows that Project Manager's strong belief on his/her leadership abilities plays a vital role in project success (Kelley et al., 2003).

A mutual effort by different individuals with diverse personalities is involved in completing a project which influences project team collaboration and relationship because some personalities will get along, while others might become the cause of clash (Xia, Lo, Bao, Sharma & Li, 2017). There has been a research on Ethical Leadership for Virtual Project Teams which suggest that Ethical Leadership of Virtual Project Teams not only improve organization efficiency but also employee's commitment and job satisfaction and is one of the reasons for business success (Lee, 2008). Project managers adopt leadership behavior which can help in improving project performance resulting in project success (Yang, Huang & Wu, 2011).

1.2 Gap Analysis

A lot of research can be found on the association among the outcomes of organizational ethics (Demirtas & Akdogan, 2014). The researchers and practitioners have contributed a lot to highlight the advantages of adopting ethical leadership in workplace environment and how it can contribute in building employee trust and commitment towards organization. Javed et al. (2016) suggest that further research should be conducted on the relationship between ethical leadership and Project success and they also highlighted some variables to be used as mediators i.e. intrinsic motivation, psychological safety, creative self-efficacy and trust in leadership.

Hassan, Bashir and Abbas (2017) suggested that leadership styles other than transformational leadership should be studied for their possible effects on project success. Jiang (2014) suggest that if a positive leadership impact is needed for project

success then an appropriate leadership style should be selected for further research according to project type.

Lee (2008) suggested that for a successful project, ethical leadership is significant therefore more research should be conducted to enhance ethical leadership style understanding regarding its impact on project success, project management and project teams. According to Golini, Kalchschmidt and Landoni (2015) literature that is related to project management is very advance for NGOs. That is why studying the impact of ethical leadership on project success in NGOs, in Pakistani context can be beneficial. This research will make a positive contribution in literature regarding projects in Pakistan as well as it will be beneficial for project-based organizations in Pakistan.

1.3 Problem Statement

Due to some famous corporate scandals, organizations have started to focus on the ethical environment in their organization. In Pakistan most of the projects are not completed on time and cost due to unethical practices. Arain (2008), research shows that unethical conduct is foremost source of insolvency of contractors in construction industry of Pakistan. This problem raises the concern for organizations to impose ethical leadership and implement ethical climate to eliminate unethical conduct for a successful completion of projects.

In past, very little research has been conducted on the contribution of psychological factors in project success (Hassan et al., 2017). Due to frequent delays in projects, budget overrun and employee lack of affective commitment, organizations are concerned over unethical activities which are causing these problems.

The mediating role of affective commitment is the area that needs to be explored to know, how can the much-needed employee commitment by organization to achieve its goals can influence the success of projects and the relationship ethical leadership and project success in NGO's. Demirtas & Akdogan (2014) used ethical climate as a mediator between ethical leadership and employee affective commitment but in this study ethical climate was used as a moderator as it wasn't used as a moderator

between ethical leadership and affective organizational commitment before. So, this shows the novelty in this research that has not been studied yet along with all the variables (Ethical leadership, Affective commitment, Project Success and Ethical climate).

1.4 Research Questions

Based on the stated problem statement, present study is intended to investigate the following research questions:

Question 1: *What is the impact of Ethical Leadership on Project Success?*

Question 2: *Does Affective Organizational Commitment mediate the relationship between Ethical Leadership and Project Success?*

Question 3: *Does Ethical Climate moderate the relationship between Ethical Leadership and Project Success?*

Question 4: *Does Ethical Leadership strengthen employee's Affective Organizational Commitment toward organization?*

Question 5: *Does Ethical Climate strengthen the impact of Ethical Leadership on employee's Affective Organizational Commitment?*

1.5 Research Objectives

The research objective is to find out the relation between all variables as presented in model and that all variables are consistent with each other and provide the expected result that is the successful completion of projects.

The specific objectives of this study are as follows:

- First, this study focuses to investigate the impact of Ethical Leadership on Project Success.
- Second, this study aims to investigate the mediating role of Affective Organizational Commitment between Ethical Leadership and Project Success.

- Third, this study aims to investigate the moderating role of Ethical Climate between the Ethical Leadership and Affective Organizational Commitment.
- Fourth, this study precisely focuses Pakistani context because Pakistan has diverse culture and environment.
- Fifth, to test empirically and establish the proposed relationships in the developmental projects of Pakistan.

1.6 Significance of the Study

It is important to examine the impact of ethical leadership because ethical leadership is essential to control the unethical activities hindering the timely completion of projects and under planned budget. This research will contribute towards the awareness in the developmental sector of Pakistan about practicing ethical leadership to attain project success by gaining employee commitment for organization. Today's project manager is facing the challenge of maintaining ethical environment in organization. In this regard, this research will contribute to the literature regarding how implementing ethical leadership can be beneficial for enhancing employee's affective organizational commitment and making project successful. This study contributes in developing a mutually trusted environment through the practice of ethical conduct by leader himself. Employee will perceive the leader as honest and just person and follow his steps which will increase their commitment to their organization and they will perform task associated with project with integrity which will result in project success.

1.7 Supporting Theory

Social Learning Theory supports this study's variables and will help to understand the relationship between variables. Social learning theory is appropriate for variables because leaders are role models for their followers and when leaders depict ethical conduct, employees tend to follow it. This shows that employee sees the

actions of his leader, learn from those actions and act accordingly. If leader is ethically strong, employee will follow him, and he will perform his entire task with honesty and will be committed to his organization because he views his organization as ethical. Ethical climate of organization significantly strengthens impact of ethical leadership on employee affective commitment (Demirtas & Akdogan, 2014).

Social learning theory will be used in this study as the core theoretical focus and it will help in identifying the mediating effect of affective organizational commitment between ethical leadership and project success and moderating effect of ethical climate between ethical leadership and affective organizational commitment. Social learning theory is a learning theory mostly used in psychology and sociology. It was first published in *Social learning and imitation* by Miller, N. E., and Dollard, J. (1941), which proposed that humans learn new behavior when they observe others behavior and try to imitate the same. The individuals who are being observed are known as models who serve as an example of masculine or feminine behavior that can attract the attention of people and encourage following (McLeod, 2011).

Leaders who practice ethical leadership can influence individuals through their moral conduct and interpersonal relations (Brown et al., 2005). Bandura (1986) suggest that practically anything that can be educated by means of direct experience can likewise be learned by vicarious experience, by means of watching others' conduct and its results. Role modeling is one of an important way to show employee what organization expects from him in a way which help him differentiate which conduct will gain him reward, and which conduct will be penalized. Leaders are a vital source of such modeling first by excellence of their given task, their status, accomplishment inside organization, and their authority to influence others conduct and its results (Brown et al. 2005).

Employee will endeavor to follow managers and other employees will too match their behavior with the organizations accepted behavioral values (Mayer, Kuenzi, Greenbaum, Bardes & Salvador, 2009). Employee is influence by their ethical leaders in two manners. First one is that everyone can see what are the decision-making processes and actions of the leaders, being models of rightful behavior,

because followers take their cues for ethical behavior from leaders. Hence, leaders need to be ethical in their behavior to be a paradigm of ethical conduct for their followers. Likewise, if leader is unethical in his behavior, he is more likely to have followers exhibiting unethical behavior. Second is that leaders reward ethical behavior so when employees are aware of the rewards for good conduct, they are most likely to engage in it similarly leader punish unethical behavior, so employees desist from unethical behavior (Brown et al., 2005; Treviño et al., 2000).

1.8 Structure of the Thesis

Chapter 1 consists of the extensive area of this study; it has discussed the background, research gap, research question, research objective, significance of this study and the supporting theory of this research. Chapter 2 gives a detail insight into the literature of all variables. It also consists of the detail regarding proposed conceptual framework and it also include hypothesis development of this study. Chapter 3 includes discussion on sample and procedures used for data collection, scales used for the measurement of different variables and statistical processes used for processing the collected data. Chapter 4 discusses the study results and which hypothesis was accepted and which one was rejected. Chapter 5 consist of discussion on findings, theoretical and practical implication of the study, strength and limitations, and future suggestions for research.

Chapter 2

Literature Review

2.1 Ethical Leadership and Project Success

Brown, Treviño and Harrison (2005) explained ethical leadership as “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement and decision making”. Ethical leaders are the representatives of organization’s ethical conduct and they have to imitate for adherents to get their attention towards ethical message; they must be trustworthy, lawful and charismatic to be alleged as ethical leaders by being honest, legitimate for employee’s rights and influence ethics related outcomes (Brown et al., 2005).

Ethical behavior can be seen in leaders when they are supporting something that is morally right and by doing so they are spreading awareness about ethical conduct and moral self-actualization (Zhu, May & Avolio, 2004). Zhu et al. (2004) define ethical leader as the one whose behavior is based on moral principles, one who is not focused on looking after his self-interest but concerned about subordinate’s rights, empowering employee for his growth and treat him fairly. According to Brown et al. (2005), social learning theory suggest that ethical leader influences his employee’s behavior through his ethical role modeling.

Follower’s attitude towards his leader is significantly influenced by ethical leadership and follower’s perception of his leader as an honest and just person can

influence leader's status and his behavior evaluation (Bedi, Alpaslan & Green, 2015). Mayer, Kuenzi, Greenbaum, Bardes & Salvador (2008) suggest that employee avoid deviant behavior when he view his manager as trusted, fair, one who provide opportunity for him to give opinions at the time of decision making this make employee feel obligated to respond positively to the commands of leader. This means that if employee feels that he is being treated fairly there is less of a chance that he'll punish his organization by coming late, dragging his work to receive overtime pay and taking long breaks.

Mayer et al. (2008) suggest that leader by being a model of desirable behavior plays an imperative role in the reflection of employee deviant or positive behavior at work. Therefore, organization needs to consider other alternatives such as providing training to the existing employees and employing ethical leaders through in-basket tests focused on ethical dilemmas, integrity tests and structured questionnaires. Ethical leadership reduces unethical behavior which can significantly influence organization's performance (Brown and Treviño 2006; Brown et al., 2005).

Project success is attained with the achievement of its targets relevant with the business's objectives, product and services whereas management success is achieved when budget, quality and control of the project related targets are achieved (Miller & Turner, 2010). Project success is based on the success of project implementation team for successfully implementing deliverables and the success of organization for gaining profits from these successfully implemented deliverables (Creasy & Anantatmula, 2013).

Project manager must comprehend the required type of leadership proficiency and personality trait that complement the proficiency to increase the chance of project success (Gehring, 2007). Mishra, Dangayach and Mittal (2011) suggest that project management is not only about completing project within time, budget and cost but practicing high level of moral character to get management and project team support which can help in achieving success.

Chughtai, Byrne and Flood (2014) stated that implementation of ethical leadership in organization can provide healthy work environment for employee. Ethical

management of project teams results in improved production and distribution processes, increase in employee competence and satisfaction and present a leadership that can lead the project towards success (Lee, 2009). Businesses consisting of ethical leader can see numerous positive results that can help in achieving long term success in business operations (Kim and Brymer, 2011).

Geoghegan and Dulewicz (2008) research showed that the aspect of leadership that deals with efficiently managing resources, empowering and motivating employees found to have a positive relation with project success. Ethical leader is also characterized by these aspects. Although project success factors infrequently include leader as a success factor, but project performance is still influenced by its diverse patterns i.e. resource management, teamwork and correspondence with followers and clients (Jiang, 2014).

We therefore hypothesize that:

H1: Ethical leadership is positively related to project success.

2.2 Ethical Leadership and Affective Organizational Commitment

Meyer and Allen (1991) suggested three component frameworks of commitment which are affective, continuance and normative commitment. Affective commitment involves employee's emotional connection and association with his organization and employees who have a strong affective commitment towards organization for a very long time. Continuance commitment suggest that employee has the knowledge about the cost he will face if he leaves the organization so if employee has a continuance commitment towards his organization he will stay be he need to do so. In normative commitment employee feel obligated and that they must stay with the organization. As social learning theory suggest that employee match their behavior with ethical role model and then adopt that behavior (Brown & Treviño,

2006). Brown and Treviño (2006) suggest that ethical leadership results in useful outcomes like employee ethical decision making, voluntary behavior, employee satisfaction, affective organizational commitment and motivation.

When employee with low affective commitment is given a chance of career growth by organization, his voice behavior and affective commitment also increases (Wang, Weng, McElroy, Ashkanasy & Lievens, 2014). Porter et al. (1974) suggest that performance of employees with strong commitment towards organization, execute assigned task better than those who are not highly committed to their organization. According to literature affective commitment is a most wide spread approach to organizational commitment in which employee is emotionally involved and enjoy being identified as a member of organization (Allen & Meyer, 1990).

Hoegl, Weinkauff and Gemuenden (2004) suggest that employee commitment towards his project has a significant influence on team performance that's why in the case of task with low interdependence the motivational force driven from employee commitment happen to be important for achieving project objectives. Employee come to organization with some talent and expectations of finding an environment where he can practice and enhance his skill to fulfill his needs so, when organization make valuable use of his talents, it enhances the level of commitment towards organization (Steers, 1997).

Due to a rise in inter-sector competition and resource constriction, managers all over the world are facing the problem of hiring and retaining efficient employees and this has required to increase employee's affective commitment towards his organization which can have an impact on employee performance and retention (Chordiya et al., 2017). When compatibility between employee and organizational values is enhanced, it increases employee affective commitment (Kooij & Boon, 2017). Through trust in leader employee develop a supportive behavior which helps in reducing conflict, develop a positive perception of employee towards leader which results in increased job satisfaction, efficiency and commitment (Gill, 2008). Neubert et al. (2009) argued that by using ethical leadership, managers can influence the perceptions regarding ethical climate and how it significantly influences employee as measured by employee's job satisfaction and affective commitment to

organization through ethical leadership. Zhu et al. (2004) define ethical leader as the one whose behavior is based on moral principles, one who is not focused on looking after his self-interest but concerned about subordinate's rights, empowering employees for their growth and treat them fairly.

When employee have strong positive opinion about his leader moral conduct and have the freedom to express his concerns, opinions and he show strong sense of responsibility, satisfaction and commitment towards his job (Avey, Wernsing & Palanski, 2012). In fact, the ethical behavior of coworkers and managers significantly influence employee's commitment towards his organization which can become a reason for employee to stay with organization (Fu, Deshpande & Zhao, 2011). Okan and Akyüz (2015) suggest that employee loyalty to manager which increases employee job satisfaction is influenced by ethical leadership and when employee is satisfied with his job he will be affectively committed to his job (Chordiya et al., 2017).

Fu et al. (2011) suggest that age factor also play an important role in employee commitment to his organization as there is a high chance that an old age employee will be more committed to his job than a young employee because young employee is most likely to quit his job if he is not satisfied with it. Brown and Treviño (2006) suggest that a positive association exist between ethical leadership and employee attitude since ethical leader is an honest, caring and a trustworthy person and their decisions are based on fair judgment.

Therefore, we hypothesize that:

H2: Ethical leadership is positively related to affective organizational commitment.

2.3 Affective Organizational Commitment and Project Success

Morris and Hugh (1986) identified that success of a project is dependent upon realistic and definite goal, resource availability, customer approval, and profitability, and competitive edge, completion of project according to plan and perceived value of project. Mazur, Pisarski, Chang and Ashkanasy (2014) explained that in all phases of project from planning till implementation, top management support is the most critical factor for project success. Project team commitment to the project is one of the several factors that contribute to the success of the project (McDonough, 2000).

Top management should keep in check the satisfaction, commitment and trust level of project manager towards organization because these factors are mandatory for project success in complex situations (Rezvani, Chang, Wiewiora, Ashkanasy, Jordan & Zolin, 2016). Dinc and Nurović (2016) suggested a positive relationship between ethical leadership and employee attitude. Yang, Huang and Wu (2010) suggest that a successful project in term of its timely completion, on budget performance, expected quality and client contentment can only be achieved when there is high level of collaboration and communication between project team members and they are highly connected and committed to their organization.

Hussein, Ahmad and Zidane (2015) suggest that if projects are based on clear and realistic targets and on realistic criteria for success which helps in attaining top management and stakeholder's trust; this can help lead in to achieving project success. A study consisting of comparison between organizational and occupational commitment of a project worker showed that project worker feels proud to be a part of project management team because he gets a chance to learn and practice new knowledge (Wang & Armstrong, 2004).

Shum, Bove and Auh (2008) suggest that by having employee affective commitment, the chance of resistance to change decreases so, having high employee affective commitment can be a critical success factor for project implementation also there should be change ready environment to avoid resistance. Project manager

can encourage affective commitment in employee which results in enhanced employee performance outcomes which directly influence project performance (Chen & Francesco, 2003). According to Ekrot, Rank and Gemünden (2015), project managers who are affectively committed to their projects are motivated by their innovative ideas and they like to suggest these innovative ideas to initiate new projects or bring improvement to the existing ones. They try to avoid taking risk of voice behavior to be associated with long term development and success of projects and organization.

A committed project team and manager can develop project team member's knowledge about project objectives, tasks and responsibilities, team collaboration and problem-solving skills which directly contribute to project success (Aga, Noorderhaven & Vallejo, 2016). Gelbard and Carmeli (2009) argued that organizational support (technical and behavioral) is essential for project team commitment to achieve project success; it shows that management and team both must play a supportive role to allow team dynamics to use project in a most efficient manner and deliver the promised value.

Dwivedula, Bredillet and Mller (2016), suggest that employee's commitment towards organization determines his performance towards delivering a project successfully. Project team members are necessary to achieve project goal that's why project leader must try to enhance the interaction quality with employee by increasing employee commitment level to achieve project success (Hoegl et al., 2004). Thus, a higher level of employee commitment is required to meet the higher goals and to achieve success of projects with a straightforward management (Tyssen, Wald & Heidenreich, 2013).

Therefore, we hypothesize that:

H3: Affective organizational commitment is positively related to project success.

2.4 Mediating Role of Affective Organizational Commitment between Ethical Leadership and Project Success

Employee's commitment towards organization increase when he perceives that his organization follow legal and ethical standards (Chun et al., 2013). Collier and Esteban (2007) suggest that it is not possible to impose organizational commitment on employee because it can only be nurtured. It can be assumed that organizational commitment can only be nurtured through leader's motivation, trust, ethical conduct and empowerment not by force; when employee observes that his leader is ethical, just, rewarding and motivating a commitment is developing between employee and organization which results in completion of project tasks on time and under cast.

When employees observe that organization is practicing the standards it claims to practice, employees support that organization and this support can be in the form of them supporting ethical leadership or practicing ethical conduct (Collier & Esteban, 2007). Valentine and Barnett (2003) suggest that if employee is aware of organization's ethics code it will have an influence on employee's organizational commitment because employee will think of his organization as ethical.

Sometimes project's attributes and intricacy does not allow project leader to give right direction, in this situation a committed employee will do the right thing and when employee lack enough information to make a right decision, transformational, conventional and ethical leadership will be essential for project leader (Tyssen et al., 2013). Walumbwa, Mayer, Wang, Wang and workman (2011) suggest that ethical leadership not only enhance employee and project performance, but it also enhance employee self-efficacy, strengthen leader employee relationship and increase employee's commitment with organization.

Companies should select managers who reflect ethical leadership behavior while being employed, ones who can be an ethical role model and support ethical employee (Dinc & Nurović, 2016). Employee motivation and affective commitment

towards organization is influenced by how much value a manager gives to ethical values, prosperity of society and profitability of organization (Alas, Papalexandris, Galanaki & Niglas, 2014).

Hassan, Wright and Yukl (2014) suggest that because of ethical leader being known from their attributes of fair and rational decision maker, truthful and caring, a high-quality relationship is developed between project leader and his followers and this high-quality relationship influence followers to be loyal and committed to their leader, coworkers and project. According to Turner and Müller (2005) project manager evaluation regarding project success is influenced by project team member satisfaction and commitment with management. Companies should select managers who reflect ethical leadership behavior while being employed, ones who can be an ethical role model and support ethical employees (Dinc & Nurović, 2016).

A collective commitment is required to save project from failure and make it successful because just like organization, project is a network of commitment (Culmsee & Awati, 2012). Golabdost and Rezaei (2017), suggest that employee's job satisfaction and organizational commitment is positively influenced by leadership styles like supportive, directive and participative. It can be assumed that ethical leadership will have a significant influence on employee's organizational commitment because it contains some qualities of supportive and participative leadership style like asking for employee's opinion, concern for employee wellbeing and a comfortable work environment and that this commitment will help in executing project successfully.

According to Limsila and Ogunlana (2007) by adapting leadership behavior (ethical) project manager can improve project team member's affective organizational commitment, enhance project performance and encourage an affirmative ethical working environment. Affective organizational commitment has a positive and direct impact on job performance of employees (Fu & Deshpande, 2014). It can be expected that if employee job performance is positively influenced then employee will perform all project tasks with efficiency and effectiveness which will lead to project success.

Rose (2016) suggests the recipe for attaining project success is the combination of leadership, training, motivation and commitment, and resources. The reason of employee's commitment towards his occupation and organization is visible in his insight regarding his job and his character; this commitment helps to decide if the employee performance will be good enough to execute a successful project (Dwivedula et al., 2016).

Therefore, we hypothesize that:

H4: Affective organizational commitment positively mediates between ethical leadership and project success.

2.5 Moderating Role of Ethical Climate between Ethical Leadership and Affective Organizational Commitment

Deshpande (1996), suggest that organization's ethical climate represents the shared principals regarding how ethical issues should be handled and what is the preferred ethical conduct. The research also concluded that organization consist of multiple ethical climate, Professionalism the most reported ethical climate and efficiency the least reported one in non-profitable organization e.g. NGOs. A study suggests that employee ethical behavior is positively influenced by one of the most important aspect which is ethical climate (Sinclair, 1993).

Ethical leadership influences the ethical climate positively which leads to increase in the level of employee affective commitment and lesser turnover rate (Demirtas & Akdogan, 2014). According to Shin (2011) project manager's self-rated ethical leadership is positively related with all employees' insight about the ethical climate inside organization and organization's ethical climate positively linked with positive employee behavior i.e. employee affective commitment (Valentine, Godkin & Lucero, 2002).

Ethical Leader is known from his ethical conduct and he indicates that the same thing is expected from employees that will be valued and ethical leader teaches his followers not to let go ethical values just to achieve organization's goals and objectives which results in ethical environment inside firm (Mayer, Kuenzi & Greenbaum, 2011). According to Hassan et al. (2014) ethical project leaders can build a secure ethical organizational climate where employee will not feel insecure in conferring about unethical matters and exposing such matters when found.

According to Lu and Lin (2013) managers who practice ethical leadership and are models of ethical behavior are more suitable for creating an ethical climate in which doing the right thing is the foremost concern. Kaur and Kaur (2017) suggest that caring climate inside organization found to have a significant influence on employee commitment (affective) towards his organization. Employee who is aware and tend to comprehend ethical climate as general ethical standards are more responsible when performing his tasks and he respects and follow these ethical principles when faced with ethical and professional issues (Hassanian & Shayan, 2017).

As proposed by social learning theory that followers learn from the behavior depicts by their leaders so, when there is an ethical climate, all members of organization practice ethical values then these insights about ethics influence the decision-making process, attitude towards job related tasks and actions of employees and managers (Brown & Treviño, 2006). Ethical climate is a socio-cultural atmosphere which can be established inside organization with the help of ethical leadership, top management support in the form of codes of ethics which influence employee process of decision making, this ethical work climate ensures that employee is committed and comfortable with his tasks and his organization (Ching, Kee & Tan, 2016). Implementation of Ethical climate and culture is essential for the development and success of a healthy organization (Fabiano & Hornstein, 2018).

Research suggests that internal ethics promote justice climate inside organization which strengthen employee affective commitment (Schwepker, 2001). Cullen, Parboteeah and Victor (2003), research showed a positively significant relationship between ethical climate (caring) and organizational climate at the same time egoistic climate showed a negative relationship with organizational commitment. If

leaders need to promote employee's commitment towards organization then he must maintain ethical climate (Lau, Tong, Lien, Hsu & Chong, 2017). Employee's affective commitment will be high if employee's ethical values are like organization's ethical code (Cullen et al., 2003).

We therefore hypothesize that:

H5: Ethical climate moderates the relationship between ethical leadership and affective organizational commitment such that ethical climate strengthens or weakens the relationship.

2.6 Research Model

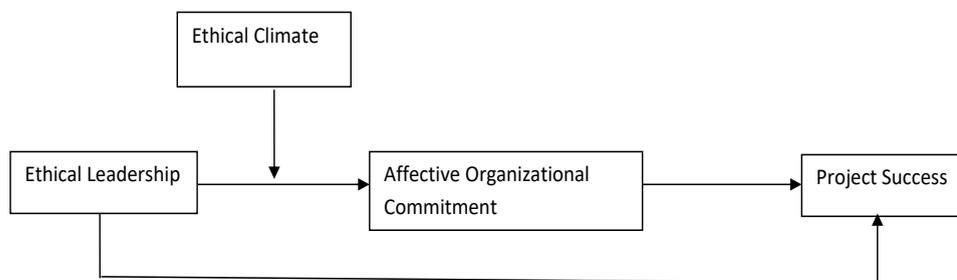


FIGURE 2.1: Research Model of Ethical Leadership impact on Project Success through Affective Organizational Commitment: Moderation of Ethical Climate.

2.7 Research Hypothesis

H1: There is a positive association between Ethical Leadership and Project Success.

H2: There is a positive association between Ethical Leadership and Affective Organizational Commitment.

H3: There is positive association between Affective Organizational Commitment and Project Success.

H4: Affective Organizational Commitment mediates between Ethical Leadership and Project Success.

H5: Ethical Climate moderates the relationship between Ethical Leadership and Affective Organizational Commitment such that it weakens or strengthens the relationship.

2.8 Summary

Literature supports that when project manager practice ethical leadership followed by an ethical climate to strengthen the influence of ethical leadership, it enhances employee affective organizational commitment which can assist in achieving project success. Now a day's every organization is trying to implement ethical leadership to avoid any ethical scandal and literature supports that ethical leadership positively influences employee behavior and attitude towards his job performance which can be beneficial for achieving success in projects. Literature proves that ethical leadership and employee affective commitment is significantly associated. According to literature ethical climate consists of organization's code of conduct, ethical rules and regulations, values and employee's perception, this ethical climate makes it easier for ethical leadership to be implemented, adopted and maintained by management and employees.

Chapter 3

Methodology

3.1 Introduction

This chapter consists of the methodology used for finding out the relationship between ethical leadership and project success, with the mediating role of affective organizational commitment and moderating role of ethical climate. Methodology chapter includes data collection techniques, population and sample size, and instrument reliability analysis.

3.2 Research Design

According to Bryman and Bell (2015) a research design is a criterion that is used for appraising the business research and is a framework to generate the evidence to support the research question. Research design consists of type of study, time horizon and unit of analysis which are as follows:

3.2.1 Type of Study

This study is an explanatory study which based on self-reported perception measures the impact of ethical leadership on project success with the mediating role of

affective organizational commitment and moderating role of ethical climate. Hypothetical deductive method has been used which suggest the usage of preceding research and existing theories to support research hypothesis which are further tested empirically to prove the suggested hypothesis.

3.2.2 Study Setting

The study participants are from the field of project management. Supervisors and subordinates were contacted from public and private NGOs to fill the questionnaires in their work settings.

3.2.3 Time Horizon

For this study, the data were collected at one time and in the duration of one month and the data is cross sectional in nature.

3.2.4 Unit of Analysis

Trochim (2006) suggest that defining the unit of analysis is the initial step when deciding the methods to analyze data. Unit of analysis is “who” and “what” is being studied and it can be an individual, group, organization, artifacts or country from where data needs to be collected. Unit of analysis in this study are Project managers and employees working in NGOs across Pakistan.

3.2.5 Population

It is not easy to collect answer for research questions from all cases therefore answering research questions requires the selection of sample. According to Wilson (2014) a sample that is drawn from all sets of cases is called population. This study population include project managers and employees of NGOs in different cities across Pakistan. The population used in this study were project managers and employees from project-based organizations. Project based organizations are

becoming a foundation for a competitive advantage for Pakistan and this field is attracting foreign investors which is contributing towards Pakistan's economy and the global recognition of Pakistan as developing country.

3.2.6 Sample

A small subsection of population is called sample which is drawn with probability or nonprobability technique (Hair, 2015). It is not possible to collect data from entire population due to time and resource constraint that is why a sample is taken to analyze data. To ensure objectivity, a random procedure is used, and a representative sample is collected from the population of interest. Probability sampling technique was used in which data is collected on random basis. The sample size is 300 and probability sampling is used to collect responses. The data is collected from project-based organization specifically NGOs working on multiple projects. The questionnaire distributed are 350 and out of 350, 290 questionnaires were received and 273 were considered for analysis. During the data collection procedure, the author visited the organizations and explained the purpose of this research and the method used for data collection and that the data will be collected from both project managers and employees. For the cooperation by the organization, the author assured to provide the results of this study on request.

3.2.7 Sample Characteristics

The demographic used in this study are; project manager's and employee's age, project manager's and employee's gender, project manager's and employee's work experience in project management field, project manager's and employee's qualification.

Sample characteristics are signified in the following tables:

3.2.7.1 Gender

One of the important element of demographics is gender because it distributes population sample into male and female. In this study it has been observed that the ratio of male respondents was higher than female respondents.

TABLE 3.1: Represent Gender Percentage.

Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Male	158	57.9	57.9	57.9
Female	115	42.1	42.1	100.0
Total	273	100.0	100.0	

Table 3.1 shows the gender conformation of the sample taken for the study in which 57.9% were male and 42.1% were female. This result represents a higher percentage of male.

3.2.7.2 Age

Age is an important part of demographic, but some respondents feel hesitant to disclose their age. So, for the expediency of respondents different age range were used in questionnaire to collect the data regarding respondent's age.

TABLE 3.2: Represent Respondent's Age Distribution.

Age	Frequency	Percent	Valid Percent	Cumulative Percent
18-25	99	36.3	36.3	36.3
26-33	112	41.0	41.0	77.3
34-41	37	13.6	13.6	90.8
42-49	15	5.5	5.5	96.3
50 and above	10	3.7	3.7	100.0
Total	273	100.0	100.0	

Table 3.2 shows the conformation of age groups in research sample. 36.3% of respondents age were in the range of 18-25, 41% of respondents age were 26-33 range, 13.6% of respondents age were in 34-41 range, 5.5% of respondents age were in the range of 42-49 and 3.7% of respondents age were in the range of 50 and above. The results show a higher percentage of respondents age in 26-33 range.

3.2.7.3 Qualification

Education is essential for passing the knowledge of a societies and countries from one generation to the other. Education is important for the prosperity of nations. Like gender and age, qualification is also a vital part of demographics. Education brings out the creativity and innovation in tasks that's why an educated nation can gain a competitive advantage among other nations by opening creative ways to success.

TABLE 3.3: Respondent's Qualification.

Qualification	Frequency	Percent	Valid Percent	Cumulative Percent
Inter	6	2.2	2.2	2.2
Bachelor	52	19.0	19.0	21.2
Master	114	41.8	41.8	63.0
MS/M.Phil	100	36.6	36.6	99.6
PhD	1	.4	.4	100.0
Total	273	100.0	100.0	

Table 3.3 represents respondent's qualification. Inter qualified were 2.2%, bachelor qualified were 19%, respondents holding a master qualification were 41.8%, MS/M.Phil. qualified were 36.6% and respondents holding a PhD qualification were .4%. The above table shows a higher percentage of master qualified respondents.

3.2.7.4 Work Experience

Work experience is an important part of demographics to get the information of respondents work experience in a certain field. As work experience increases, individual knowledge and creativity increases over time which helps in completing projects successfully. To get the data regarding respondent's tenure of experience, different time ranges were used in questionnaire so that it becomes convenient for the respondent to choose the specific range of work experience.

TABLE 3.4: Respondent's Work Experience.

Experience	Frequency	Percent	Valid Percent	Cumulative Percent
0-5	153	56.0	56.0	56.0
6-10	69	25.3	25.3	81.3
11-16	31	11.4	11.4	92.7
17-22	12	4.4	4.4	97.1
23-28	5	1.8	1.8	98.9
29 and above	3	1.1	1.1	100.0
Total	273	100.0	100.0	

Table 4.4 shows the respondents experience at work. 56% respondents found to have a work experience in the range of (0-5), 25.3% of respondent's experience was in the range of (6-10), 11.4% of respondents had a work experience in the range of (11-16), 4.4% of respondents had a work experience in the range of (17-22), 1.8% of respondents had a work experience in the range of (23-28) and 1.1% respondents had a work experience in the range of (29 and above).

3.3 Instrumentation

In this study for measuring four variables, close ended questionnaire was used based on five-point Likert scale from "Strongly Disagree to Strongly Agree". 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree.

3.3.1 Ethical Leadership

Ethical leadership scale developed by Brown et al., (2005) consists of 10 items. Sample item include 'Make fair and balance decisions' and 'When making decisions, asks "What is the right thing to do"? Same scale was used by Javed et al., (2016) and reported good reliability. Cronbach's Alpha was 0.835.

3.3.2 Affective Organizational Commitment

Questionnaire for affective organizational commitment was developed by Meyer and Allen (1991), which consists of 8 items. Sample items include 'I would be very happy to spend the rest of my career with this organization' and 'This organization has a great deal of personal meaning for me'. The Cronbach's Alpha of this scale was 0.721.

3.3.3 Ethical Climate

Questionnaire for ethical climate was constructed by Cullen and Victor (1988). Total items are 7. Samples items include 'In this company, it is expected that you will always do what is right for the customers and public.' and 'The most important concern is the good of all the people in the company as a whole'. Same scale was used by Demirtas and Akdogan (2014) and reported good reliability. The Cronbach's Alpha of this scale was 0.780.

3.3.4 Project Success

With respect to project success, respondents completed 14 item scales. Project success scale was developed by Aga and Vallejo (2016). Sample items include 'The outcomes of the project have directly benefited the intended end users, either through increasing efficiency or effectiveness' and 'The project has made a visible positive impact on the target beneficiaries'. The Cronbach's Alpha of this scale was 0.840.

TABLE 3.5: Instruments.

Variables	Source	Items
Ethical Leadership (IV)	Brown, Trevino and Harrison (2005)	10
Affective Organizational Commitment (Med)	Meyer and Allen (1991)	8
Ethical Climate (Mod)	Cullen and Victor (1988)	7
Project Success (DV)	Aga and Vallejo (2016)	14

3.4 Statistical Tool

Single linear regression was used to analyze the causal relationship between the dependent variable i.e. Project Success and independent variable i.e. Ethical Leadership. Regression analysis helps ensuring that whether the acceptance or rejection of suggested hypothesis have the support of preceding studies or not. The purpose of carrying out regression analysis in this study is to study the numerous factors that can have an impact on dependent variable (Project Success).

For conducting analysis on collected data Preacher and Hayes (2004) three stages were applied. These three steps include placing dependent variable i.e. Project Success in outcome column and independent variable i.e. Ethical Leadership in the independent variable column and placing research demographics in covariant column. While performing these three steps a model number must be selected to perform mediation and moderation. With Preacher and Hayes method, mediation and moderation analysis are performed separately. Model 4 is used for mediation and model 1 is used for moderation.

3.5 Pilot Testing

The table represents the reliability analysis of variables' instruments. In the beginning, we collected 50 questionnaires from respondents and 45 questionnaires were considered for reliability analysis. The results of pilot testing showed that all the scales are reliable, and no problem was detected in variables.

3.6 Reliability Analysis

Reliability analysis is used for reviewing of properties of scale used for the measurement of variable and the elements that make up the scale. It helps in evaluating internal consistency of variables and if those variables have any relationship between them or not. A scale is considered reliable when it gives similar results in consistent circumstances. Value of Cronbach's Alpha when equal or above 0.7 is considered reliable. Higher the value of Cronbach's Alpha, higher the reliability of instrument to measure construct. If the value of Cronbach's Alpha is less than 0.7, the instrument is not considered reliable to measure construct.

TABLE 3.6: Scale Reliability.

Variables	Items	Cronbachs Alpha
Ethical Leadership	10	0.835
Affective Commitment	8	0.721
Ethical Climate	7	0.780
Project Success	14	0.840

In this study the Cronbach's alpha value of ethical leadership is 0.835, the Cronbach value of affective commitment is 0.721, the ethical climate Cronbach value is 0.780 and project success Cronbach value is 0.840. The Cronbach's value of ethical leadership scale and project success scale is high this shows that both scales are highly reliable.

3.7 Data Analysis Techniques

The collected data from 273 respondents was analyzed on SPSS software. Following procedures were performed to analyze the data:

1. Questionnaires which were correctly filled were chosen for analysis.
2. The collected data was coded, and those coded variables were used for data analysis.
3. To describe the sample characteristics, frequency table were developed.
4. By means of numerical values the process of descriptive statistics was used.
5. Through Cronbach alpha, reliability analysis of all research variables was conducted.
6. To identify whether there is a significant relationship between variables exist or not, correlation analysis was performed.
7. To examine the proposed relationship between variables, single linear analysis was conducted on dependent and independent variable.
8. To find out the role of mediator and moderator between independent and dependent variable, Preacher and Hayes method was used to run mediation and moderation.
9. The proposed hypothesis was verified by using correlation analysis and Preacher and Hayes method to check for any probable rejection or acceptance of proposed hypothesis.

Chapter 4

Results

4.1 Results for Hypothesized Variables

4.1.1 Descriptive Analysis

The process of descriptive statistics is performed to summarize the data in the form of a table and to calculate the standardized values of all variables. Generally, descriptive statistics comprises of sample size, minimum value, maximum value, mean and standard deviation.

TABLE 4.1: Descriptive Analysis.

Variables	N	Min	Max	Mean	SD
Ethical Leadership	273	1.62	4.71	3.8941	.63173
Affective Organizational Commitment	273	1.88	4.88	3.7949	.50599
Project Success	273	2.21	4.93	3.7707	.44686
Ethical Climate	273	1.71	4.86	3.6834	.51643

Table 4.1 represent the mean value and standard deviation of the variables that are under study. The very first column shows all the variables (ethical leadership,

affective organizational commitment, project success and ethical climate) used in this study which were rated on five-point Likert scale. The mean value represents the spirit of all responses. Ethical leadership which acts as an independent variable has a mean of 3.8941 and a standard deviation of 0.63173. Affective organizational commitment which acts as a mediator between ethical leadership and project success has a mean of 3.7949 and a standard deviation of 0.50599. Project success which acts as a dependent variable has a mean value of 3.7707 and a standard deviation of value 0.44686. Ethical climate which acts as a moderator between ethical leadership and affective organizational commitment, reported a mean value of 3.6834 and a standard deviation of 0.51643.

4.1.2 Correlation Analysis

Usually the purpose of conducting correlation analysis is to validate the association between variables selected for the study. Correlation analysis was used in this study with the aim to validate the proposed hypothesis by discovering the relationship between ethical leadership and project success, the mediating role affective organizational commitment and the moderating role of ethical climate. To have the knowledge about the degree of variation amid two variables and if the variables vary together at the same time or not, correlation analysis is conducted. Correlation analysis differs from regression analysis in a way that it does not involve association between two or more than two variables.

Pearson correlation analysis is used to measure the strength of association between variables through a Pearson correlation range i.e. from -0.1 to 0.1. With the help of the extracted magnitude value we can draw the conclusion regarding the strength of relationship amid two variables and after judging the distance of correlation from zero we are able to generalize the magnitude value. The correlation can be interpreted in a way that if the correlation is distant from zero this suggests that two variables have a strong association. If the correlation value is zero this shows that the two variables do not have any association.

Positive and negative signs are the representatives of the type of relationship. If the value shows a positive sign this means that increase in one variable leads to the increase in the other variable which represent a direct relationship. The case is opposite with the value showing a negative sign, this means that the increase in one variable leads to the decrease in other variable which represent an indirect relationship.

TABLE 4.2: Pearson Correlation.

Variables	1	2	3	4
Ethical Leadership	1			
Project Success	.630**	1		
Ethical Climate	.634**	.618**	1	
Affective Organizational Commitment	.625**	.616**	.644**	1

Correlation is significant at 0.01 levels (2-tailed)
*N = 273, *p < 0.05, **p < 0.01, ***p < 0.001 (EL = Ethical Leadership, AOC = Affective Organizational Commitment, PS = Project Success, EC = Ethical Climate)*

The Correlation Findings according to the Table 4.2 are as following:

The above correlation table shows that there is a positive and significant relationship between ethical leadership and project success, where $r = .630^{**}$ at $p < 0.01$. Above results represent a positive and significant relationship between ethical leadership and ethical climate, where $r = .634^{**}$ at $p < 0.01$. It can be seen in results; ethical leadership has a positive and significant relationship with affective organizational commitment where $r = 0.625^{**}$ at $p < 0.01$.

The table shows a positive association between affective organizational commitment and project success where $r = .616^{**}$ at $p < 0.01$. There is a positively significant relationship between ethical climate and project success where $r = .618^{**}$ at $p < 0.01$. Ethical climate has a significantly positive relationship with affective organizational commitment where $r = .644^{**}$ at $p < 0.01$.

Due to the high correlation values in the above table of Pearson Correlation, a variance inflation factor analysis was conducted to analyze the chances of multicollinearity. Once the correlation between constructs is high this may lead to the confusion that multicollinearity exists therefore in this study, multicollinearity test (VIF) was conducted and the results are shown in Table 4.3.

TABLE 4.3: Variance Inflation Factor.

Variables	VIF
Ethical Leadership	1.879
Affective Organizational Commitment	2.548
Ethical Climate	2.177

Variance inflation factor values greater than 5 shows that there exists a collinearity problem (Hair, Ringle, & Sarstedt, 2011). The results in Table 4.3 indicate that the VIF was remarkably less than 5 and maximum value of VIF was 2.548, hence collinearity was not an issue in this study.

4.1.3 Regression Analysis

$N = 273$, Control variables were, Gender, Age, Experience and Qualification, $p < .05$; $**p < .01$.

Table 4.4 represents that ethical leadership has a direct positive and significant relationship with affective organizational commitment. The un-standardized regression co-efficient specifies that ($\beta = .53$, $t = 14.66$, $p = .00$) hence the results justifies the hypothesis acceptance. Thus, the hypothesis H1 i.e. “There is a positive association between ethical leadership and affective organizational commitment” is accepted. Results shows that there is a positive and significant relationship between ethical leadership and project success as specified through un-standardized regression co-efficient ($\beta = .27$, $t = 6.63$, $p = .00$). Thus, the hypothesis H2 i.e. “There is a positive association between ethical leadership and project success” is accepted.

TABLE 4.4: The mediating effect of affective organizational commitment and moderating effect of ethical climate.

		β	SE	t	p
	Affective				
Ethical leadership	→ Organizational	0.53	.036	14.66	.00
	Commitment				
Ethical leadership	→ Project	0.27	.042	6.63	.00
	Success				
Affective					
Organizational	→ Project	0.31	.052	5.93	.00
Commitment	Success				
Int_term	→ Ethical	-.02	.04	-.55	.57
	Climate				
		LL 95% CI	UL 95% CI		
Bootstrap results for indirect effect		.10	.23		

Note: Un-standardized regression coefficient reported. Bootstrap sample size 5000. LL = lower limit; CI = confidence interval; UL = upper limit.

It can be interpreted from the above table that affective organizational commitment has a direct positive and significant relationship with project success as it is evident in the un-standardized regression co-efficient as ($\beta = .31$, $t = 5.93$, $p = .00$). Therefore, the hypothesis H3 i.e. “There is positive association between affective organizational commitment and project success” is accepted.

The results shown above in Table 4.4 shows that affective organizational commitment mediates the relationship between ethical leadership and project success, as the indirect effect of ethical leadership on project success through affective organizational commitment has the lower limit of .10 and upper limit of .23 and there is no zero value in the bootstrapped 95% confidence interval. Thus, it is concluded that the hypothesis H4 i.e. “Affective organizational commitment mediates between ethical leadership and project success” is accepted.

The results in Table 4.4 show that ethical climate is not acting in place of a moderator between ethical leadership and affective organization, as it is evident

in the un-standardized regression analysis ($\beta = -0.02$, $t = -0.55$, $p = .57$). The hypothesis H5 i.e. “Ethical Climate moderates the relationship between Ethical Leadership and Affective Organizational Commitment such that it weakens or strengthens the relation” is rejected because $p = .57$ represents an insignificant value and there is a zero value in the bootstrapped 95% of the confident interval as its lower limit = -0.11 and upper = 0.06 are showing conflicting signs which means that there is a value of zero lying between lower and upper limit which is the main reason of the rejection of H5 hypothesis.

4.2 Summary of Accepted and Rejected Hypothesis

TABLE 4.5: Hypothesis Summary.

Hypotheses	Statement	Result
H1	There is a positive association between Ethical Leadership and Project Success.	Accepted
H2	There is a positive association between Ethical Leadership and Affective Organizational Commitment.	Accepted
H3	There is positive association between Affective Organizational Commitment and Project Success.	Accepted
H4	Affective Organizational Commitment mediates between Ethical Leadership and Project Success.	Accepted
H5	Ethical Climate moderates the relationship between Ethical Leadership and Affective Organizational Commitment such that it weakens or strengthens the relation.	Rejected

Chapter 5

Discussion and Conclusion

5.1 Introduction

This chapter discusses the hypothesis relationship details, reasoning of accepted and rejected hypothesis, theoretical implication, practical implication, strength and weaknesses of study, limitations and future direction.

5.2 Discussion

The objective of this study is find out the impact of Ethical Leadership on Project Success with the mediating role of Affective Organizational Commitment and Moderating Role of Ethical Climate.

The results indicate that ethical leadership has a positively significant relationship with project success and affective organizational commitment; the relationship of ethical leadership and project success was mediated by affective organizational commitment. The results also show that the moderating variable i.e. ethical climate has an insignificant relationship between ethical leadership and affective organizational commitment.

5.2.1 Ethical Leadership and Project Success

H1: There is a positive association between Ethical Leadership and Project Success.

Hypothesis one got accepted because results indicated significant relationship ($\beta = .27$, $t = 6.63$, $p = .00$). The t-value shown in results suggest that there exists a positively significant relationship because when the value of t is higher than 2, the relationship is significant. Therefore, t value of 6.63 indicates a positively significant relationship between ethical leadership and project success. The β co-efficient of 0.27 indicates that there is a probability that project success will increase by 27% if there is a change of one unit in ethical leadership.

As results suggest that ethical leadership significantly predicts project success. There are different studies which support this relationship for example Lee (2009) suggest that ethical leadership has a significant influence on project success as it enhance project team performance and satisfaction that leads to efficient execution of a successful project. Thus, the literature supports that there exists a positively significant relationship between project manager's perceived project success and his personality which indicates that project manager's confidence on his ethical leadership abilities leads to project success (Lee-Kelley et al., 2003).

Project success cannot only be achieved by executing project under budget, on time but by practicing moral character under the influence of ethical leadership practiced by management and project team (Mishra et al., 2011). Projects consisting of ethical leaders are able to get frequent positive results which leads to the accomplishment of project success (Kim and Brymer, 2011).

It is likely that the reason for the acceptance of this hypothesis is that project is complex in nature that's why they require project manager or leader's attention who plays a vital role in achieving project goals and achieving project success. In projects, team members are in need of constant guidance of leader to perform project tasks on time, under budget and under available resources which are the part of factors that lead to project success.

Chughtai et al. (2014) suggest that ethical leadership proves to be providing a vigorous working climate to project team which significantly influences project success. According to Jiang (2014) project success is affected by ethical leader varied abilities which are ethically managing resources, team work and effective communication with team members. Therefore, the contribution of ethical leadership can influence and enhance the moral of employees, it allows employees to take part in decision making and express their creative ideas which helps in bringing creativity in projects and allow employee to perform project tasks efficiently and effectively.

Ethical leadership creates a climate of trust inside organization which allows project team to express their opinion openly, employee will make a positive assessment of the organization (Xu et al., 2016). It's the responsibility of ethical leader not to look for his self-interest but to represent organization's ethical code of conduct, be an honest and trustworthy leader for employee, to speak for employee rights, this will result in decreased deviant behavior and increased performance of employee and project goals which leads to project success.

The data collected from NGOs in Pakistan shows that ethical leadership is considered as an important factor that contributes towards achieving project success. Therefore, these finding will contribute in increasing the knowledge of Pakistani NGOs regarding the importance of ethical leadership. Ethical leadership will allow project managers and employees in Pakistani NGOs to look for any unethical activity that may cause delay in project activities and hinders the way to project success. With ethical leadership, employees will be motivated to express their creative ideas and opinions regarding projects which enhance the uniqueness in projects being carried out in Pakistan.

5.2.2 Ethical Leadership and Affective Organizational Commitment

H2: There is a positive association between Ethical Leadership and Affective Organizational Commitment.

Hypothesis two got accepted because the results indicated a significant relationship ($\beta = .53$, $t = 14.66$, $p = .00$). The t-value shown in results $t = 14.66$ which suggest that a positively significant relationship exist because when the value of t is higher than 2, the relationship of ethical leadership and affective organizational commitment is positively significant. The β co-efficient is 0.53 which indicates that a change of one unit in ethical leadership will probably leads to a 53% increase in affective organizational commitment.

Ethical leadership is an effective way to improve employee affective commitment, so we analyzed the relationship of ethical leadership and project success and found a positively significant result. Fu et al. (2011) suggest that ethical leadership at managerial level and ethical behavior by coworkers has a positive impact on employee's affective commitment for his organization and decrease the level of turnover.

The probable reason for the acceptance of this hypothesis is that project manager has to develop strong relation with project team, enhance employee affective commitment and introduce organization's ethical code by being a model of ethical conduct rather than focusing on project's timely completion, under budget, under resources and high performance. Employee affective commitment for his organization is influenced by the initiatives taken by organization to promote ethical leadership and ethical code of conduct at managerial level (Chordiya et al., 2017).

Employee tend to display increased level of affective organizational commitment when they are aware that their leader is an ethical person who is concerned for employee rights (Fu & Deshpande, 2013). Ethical leader's attribute of honesty, kindness, trustworthiness and fair judgement have a significant influence on employee attitude i.e. affective organizational commitment (Brown & Treviño, 2006). This study proved that when ethical leadership is practiced by project manager it increases employee affective commitment for his organization. For having a successful project, it is essential that employee is affectively committed to his job and perform his given task with honesty and efficiency. Hence an employee can be committed to his job when he has a project manager as an ethical leader who promote ethics in side organization and is looking after employee's rights, who cares

about employee's creative ideas and makes sure that employee is given a chance to participate in decision making.

According to Okan and Akyz (2015) ethical leadership influences employee job satisfaction and enhances his loyalty towards his manager so when employee is satisfied with his manager and his job, he will be affectively committed to his occupation. As results calculated from the collected sample indicate that Pakistani NGOs give importance to ethical leadership to enhance employee affective organizational commitment. Therefore, this study findings will help Pakistani NGOs in practicing ethical leadership more efficiently inside organization. Ethical leader's kind, fair and trustworthy behavior towards employee will enhance employee's motivation, satisfaction and affective commitment towards his job. Employee will be loyal to his organization and would like to stay with the organization for a longer period.

5.2.3 Affective Organizational Commitment and Project Success

H3: There is positive association between Affective Organizational Commitment and Project Success.

This hypothesis got accepted because the results represented a significant relationship ($\beta = .31$, $t = 5.93$, $p = .00$). $t = 5.93$ which shows that there is a positively significant relationship because the value of t is higher than 2, affective organizational commitment has a positively significant relationship with success. The β co-efficient is 0.31 which indicates that a change of one unit in affective organizational commitment will leads to a 31% increase in project success.

The results explained above are based on the literature supporting the positive relation of affective organizational commitment with project success. McDonough (2000) suggest that one of the factors that helps in achieving project success is project team's commitment to the project. A successful project can only be achieved when project teams are good at communication and are affectively committed to the project (Yang et al., 2010).

Rezvani et al. (2016) suggest that project manager and project team's trust, satisfaction and affective commitment is essential having a successful project in complex circumstances. The reason for the acceptance of this hypothesis is that when project manager and project team is affectively commitment to the project, the probability of the occurrence of resistance towards change diminishes.

According to Dwivedula et al. (2016) employee's performance in executing a successful project is examined by the level of employee's affective commitment to the project. Hence the chances of the achievement of project success increases when project manager and employee is affectively committed to the organization/project because employee feels emotionally attached to the organization so he performs all his tasks efficiently.

The collected data indicates that Pakistani project-based organizations consider affective organizational commitment essential for achieving project success. This research finding will help Pakistani project-based organizations in enhancing employee affective organizational commitment to his organization which can further help in executing a project successfully. This finding will help Pakistani NGOs understand the benefits of increasing employee affective organizational commitment. With affective organizational commitment comes motivation which allows project manager and project team to come up with creative ideas to make the project as effective as possible, to make the project successful and meet client's expectations.

5.2.4 Mediating Role of Affective Organizational Commitment between Ethical Leadership and Project Success

H4: Affective Organizational Commitment mediates between Ethical Leadership and Project Success.

This hypothesis got accepted as the results indicated a significant relationship of affective organizational commitment as a mediator between ethical leadership and project success. The lower limit of .10 and upper limit of .23 shown by the unstandardized regression co-efficient are both positive and there is no zero value in the

bootstrapped 95% interval around the indirect effect of the relationship of ethical leadership and project success through affective organizational commitment.

Results also shows the intervening evidence of affective organizational commitment as a mediator between ethical leadership and project success. According to Wang and Workman (2011) ethical leadership not only positively influence the performance of project and employee but it also strengthens employee's affective organizational commitment to the organization. Project manager consider employee affective commitment when evaluating project success (Turner & Müller, 2005).

Literature explained that leadership style like ethical leadership has an influence on employee's job satisfaction and affective commitment (Golabdost & Rezaei, 2017). Ethical leadership provide employee with a trustworthy and participative environment where he can voice his opinions, this comfortable environment helps in enhancing employee commitment to his job which allows him to execute project successfully.

By implementing a leadership behavior that is ethical in nature, it becomes easier for project manager to not only enhance employee's affective commitment but also the performance of the project. As Rose (2016) suggest that project success is the combination of leadership (ethical), constant learning, motivation, resources and affective commitment. When the project manager is practicing ethical leadership, he will motivate and empower employee working under him which will induce employee with a strong sense of belonging with organization and this sense of belonging or commitment will help him work efficiently to perform all project tasks successfully. Dwivedula et al. (2016) suggest that the motive behind employee' commitment to the project and the firm can be seen in employee understanding about his occupation and his character and this commitment helps in analyzing if employee performance can help in achieving a success in project.

In Pakistani NGOs, a considerate importance is given to practicing ethical leadership and increasing the level of affective organizational commitment and that is why result indicate that most of the projects are successfully completed on

time. This research finding will be beneficial for the project managers and employees of NGOs in Pakistan because it will help them in the implementation of ethical leadership which will enhance employee affective organizational commitment. Employee's performance will increase and he will perform all his job-related task efficiently and on time which keeps the barrier in opposition to the failure of project.

5.2.5 Moderating Role of Ethical Climate between Ethical Leadership and Affective Organizational Commitment

H5: Ethical Climate moderates the relationship between Ethical Leadership and Affective Organizational Commitment such that it weakens or strengthens the relation.

This hypothesis got rejected because the results of the current study shows insignificant relationship ($\beta = -0.02$, $t = -0.55$, $p = .57$). Ethical climate has the t-value of -0.55, which represent a highly insignificant level of the relationship. The result is insignificant as the value of t is less than two. Hence the result indicates that the relationship of ethical climate as a moderator between ethical leadership and affective organizational commitment statistically insignificant. And the β co-efficient is -0.02 which means that if there comes a one unit change in ethical climate then it will cause a 2% negative impact in the relationship between ethical leadership and affective organizational commitment by weakening the relationship.

The literature shown a positive relationship as Lu and Lin (2013) suggest that ethical leadership and ethical climate are positively related as managers who practice ethical leadership are the one appropriate enough to create an ethical climate inside organization. And if employee affective commitment needs to be promoted inside organization then the leader must uphold the ethical climate.

This study purpose was to find a positive relationship but the results did not support the relationship and this last hypothesis got rejected. Therefore, the results did not support the moderating effect. The reason of this rejection is that

ethical climate, in the presence of ethical leadership may not influence affective commitment that much. Another reason is that all five identified factors of ethical climate were not taken into account in this study that is why the moderation turnout to be insignificant.

As the literature belongs to multiple culture and different countries which is supporting the significance of the moderation of ethical climate between ethical leadership and affective organizational commitment. Hence, the insignificance of the results can be influenced by the demographics, culture, nationality and societies of Pakistan. Law and order situations in Pakistan can also have an influence on the ethical climate of organization.

5.3 Theoretical Implications

This study has contributed to the new domain in previous literature where the relationship of ethical leadership was examined and verified with other variables like creativity and psychological empowerment (Javed et al., 2016). The current study contributes to the project management literature by establishing that implementation of ethical leadership inside project-based organization can be beneficial for a successful achievement of project. Theoretically, this study proved that affective organizational commitment is a variable that is of considerable importance because it is serving to explain the path between ethical leadership and project success. Therefore, this study proposes a valuable understanding of the underpinning theory through which ethical leadership influence employee affective organizational commitment on the bases of social learning theory.

5.4 Practical Implications

The study results confirmed that in the context of Pakistan, ethical climate does not have a moderating impact and the relationship of ethical climate acting as a moderator between ethical leadership and affective organizational commitment got rejected. There are numerous practical implications of this study first one is that

this study demonstrate that ethical leadership increase the probability of attaining project success. Therefore, this study suggest that project managers should implement and practice ethical leadership relationship and this relationship enable employee to feel that they can trust their leader who is a moral person looking after organization and employee's interest before his own interest. Employees feel motivated to express their honest opinions and the empowerment given to them by ethical leader will enable them to perform all project activities with efficiency and according to the requirement thus organization will be able to achieve the project's desired objective.

Second, this study suggests that to enhance employee commitment towards organization and project success, employee should be given a chance to take part in decision making because ethical leader allows employees to participate in decision making. A thought must be given to his opinions which will convince employee that his efforts are being recognized and will allow him to successfully contribute in enhancing project performance and achieving project success. Finally, managers can influence employee ethical behavior by being a role model of ethical conduct which will help employee to report any unethical conduct in organization without any fear, this will enable ethical leader/project manager to remove any unethical activity hindering the way of project towards success.

5.5 Strength, Limitations and Future Directions

This study is based on strong methodological method. For the purpose of reducing common method bias and single source bias, the data related to ethical leadership, affective organizational commitment, project success and ethical climate was collected from the project managers and employees of multiple project-based NGOs.

Future researcher should be aware of the few limitations of this research. First one is that because of time constraint, only one mediator and one moderator was considered for research, future researcher can add more than one mediator and moderator and can improve the model.

Second limitation is that data were cross-sectional, future researcher can use time lag. Third limitation is that the data was only gathered from Pakistan and from limited city, the future researcher can collect data from multiple cities or from more than one country.

In this study only one dimension of organizational commitment was used for mediation, future research can use all of the dimensions (affective, continuous and normative) as mediator or only one other than affective organizational commitment. Other dimensions can be used as a mediator to see their possible relationship with ethical leadership and project success and how they influence these two variables whether positively or negatively. Ethical climate's dimension of caring climate has been considered as a moderator in this research, future researcher can consider independence dimension of ethical climate to see its influence on the relationship between ethical leadership and affective organizational commitment.

5.6 Conclusion

The purpose of this study was to discover the impact of ethical leadership on project success with the mediating role of affective organizational commitment and moderating role of ethical climate. Social learning theory was used as a supporting theory for the relationship. Questionnaire were distributed in NGOs and distributed questionnaire were 350 and 290 questionnaires were received and 273 were considered for analysis because some of the questionnaire did not contain all the information required to perform the analysis. According to the study results, H1, H2, H3 and H4 got accepted and H5 moderating role of ethical climate between ethical leadership and project success got rejected. All hypothesis justification has been discussed regarding their acceptance and rejection. Practical and theoretical implications of this study are also discussed.

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Appendix

Questionnaire

Dear Respondent,

I am a MS research student at Capital University Science and Technology Islamabad; I am collecting data for my research paper. Title: Impact of ethical leadership on project success; mediating role of organizational commitment and moderating role of ethical climate. It will take your 10-15 minutes to answer the questions and to providing the valuable information. I assure you that data will be strictly kept confidential and will only be used for academic purposes.

Thanks a lot for your help and support!

Section 1:

	1	2
Gender	Male	Female

	1	2	3	4	5
Age	18- 25	26-33	34-41	42-49	50 and above

	1	2	3	4	5	6	7
Qualification	Metric	Inter	Bachelor	Master	MS/M.Phil.	PhD	Post PhD

	1	2	3	4	5	6
Experience	0-5	6-10	11-16	17-22	23-28	29 and above

Section 2: Ethical Leadership; 1 = Strongly Disagree, 2 = Disagree, 3 = Neither Agree/nor Disagree, 4 = Agree, 5 = Strongly Agree

1	Listens to what employees have to say.	1	2	3	4	5
2	Disciplines employees who violate ethical standard.	1	2	3	4	5
3	Conducts his/her personal life in an ethical manner.	1	2	3	4	5
4	Has the best interest of employees in mind.	1	2	3	4	5
5	Make fair and balance decisions.	1	2	3	4	5
6	Can be trusted.	1	2	3	4	5
7	Discusses ethics or values with employees.	1	2	3	4	5
8	Sets an example of how to do things the right way in terms of ethics.	1	2	3	4	5
9	Defines success not just by results, but also the way that they obtained.	1	2	3	4	5
10	When making decisions, asks "What is the right thing to do"?	1	2	3	4	5

Section 3: Affective Commitment; 1 = Strongly Disagree, 2 = Disagree, 3 = Neither Agree/nor Disagree, 4 = Agree, 5 = Strongly Agree

1	I would be very happy to spend the rest of my career with this organization.	1	2	3	4	5
2	I enjoy discussing my organization with people outside it.	1	2	3	4	5
3	I really feel as if this organization's problems are my own.	1	2	3	4	5
4	I think that I could easily become as attached to another organization as I am to this one.	1	2	3	4	5
5	I do not feel like 'part of the family' at my organization.	1	2	3	4	5
6	I do not feel 'emotionally attached' to this organization.	1	2	3	4	5
7	This organization has a great deal of personal meaning for me.	1	2	3	4	5

8	I do not feel a strong sense of belonging to my organization.	1	2	3	4	5
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Section 4: Project Success; 1 = Strongly Disagree, 2 = Disagree, 3 = Neither Agree/nor Disagree, 4 = Agree, 5 = Strongly Agree

1	The project was completed on time.	1	2	3	4	5
2	The project was completed according to the budget allocated.	1	2	3	4	5
3	The outcomes of the project are used by its intended end users.	1	2	3	4	5
4	The outcomes of the project are likely to be sustained.	1	2	3	4	5
5	The outcomes of the project have directly benefited the intended end users, either through increasing efficiency or effectiveness.	1	2	3	4	5
6	Given the problem for which it was developed, the project seems to do the best job of solving that problem.	1	2	3	4	5
7	I was satisfied with the process by which the project was implemented.	1	2	3	4	5
8	Project team members were satisfied with the process by which the project was implemented.	1	2	3	4	5
9	The project had no or minimal start-up problems because it was readily accepted by its end users.	1	2	3	4	5
10	The project has directly led to improved performance for the end users/target beneficiaries.	1	2	3	4	5
11	The project has made a visible positive impact on the target beneficiaries.	1	2	3	4	5
12	Project specifications were met by the time of handover to the target beneficiaries.	1	2	3	4	5
13	The target beneficiaries were satisfied with the outcomes of the project.	1	2	3	4	5

14	Our principal donors were satisfied with the outcomes of the project implementation.	1	2	3	4	5
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Section 5: Ethical Climate; 1 = Strongly Disagree, 2 = Disagree, 3 = Neither Agree/nor Disagree, 4 = Agree, 5 = Strongly Agree

1	What is best for everyone in the company is the major consideration here.	1	2	3	4	5
2	The most important concern is the good of all the people in the company as a whole.	1	2	3	4	5
3	Our major concern is always what is best for the other person.	1	2	3	4	5
4	In this company, people look out for each other's good.	1	2	3	4	5
5	In this company, it is expected that you will always do what is right for the customers and public.	1	2	3	4	5
6	The most efficient way is always the right way in this company.	1	2	3	4	5
7	In this company, each person is expected above all to work efficiently.	1	2	3	4	5